

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-09 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05 SS-15
STR-04 CEA-01 PA-02 PRS-01 CEQ-01 EPA-04 OES-06
ERDA-07 /127 W

-----180650Z 085220 /17

R 171709Z MAR 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6590

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION USBERLIN

USMISSION NATO BRUSSELS

USNMR SHAPE

AMCONSUL FRANKFURT

AMCONSUL MUNICH

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL HAMBURG

AMCONSUL STUTTGART

CINC USAFE RAMSTEIN

CINC USAREUR HEIDELBERG

CINC EUR VAIHINGEN

UNCLAS BONN 04805

DEPARTMENT PASS TREASURY, FRB AND CEA

E.O. 11652: N/A

TAGS: ECON, EFIN, GW

SUBJECT: BONN'S MULTI-YEAR INFRASTRUCTURE INVESTMENT

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PROGRAM UPPED TO DM 15-16 BILLION

1. SPEAKING BEFORE AN SPD GROUP, FINANCE MINISTER APEL
HAS GIVEN SOME MORE DETAILS OF THE GOVERNMENT'S PROPOSED
MEDIUM-TERM INFRASTRUCTURE INVESTMENT PROGRAM. ACCORDING
TO REPORTS LEAKED TO THE PRESS, THE MINISTER SPOKE OF A
FOUR YEAR PROGRAM TALLING DM 15-16 BILLION THAT WOULD

INVOLVE THE FEDERAL, STATE AND LOCAL GOVERNMENTS IN THE AMOUNT OF DM 13.7 BILLION AND A PARTICIPATION FROM THE PRIVATE SECTOR OF DM 1.3-2.0 BILLION. THE LATTER WOULD MAINLY COME FROM PUBLICLY-OWNED UTILITIES. ACCORDING TO THE PRESS, OF THE TOTAL, THE FEDERAL GOVERNMENT IS PLANNING TO FINANCE OVER HALF OF THE PROGRAM, I.E., DM 8.2 BILLION, WHILE THE STATES ARE PUT DOWN FOR DM 3.3 BILLION, THE LOCAL GOVERNMENTS FOR DM 2.2 BILLION AND PUBLIC ENTERPRISES FOR UP TO DM 2.0 BILLION. THE VOLUME OF ORDERS TO BE PLACED IN 1977 IS FORESEEN AS BEING DM 3.4 BILLION; DM 4.5 BILLION IN ORDERS IS FORECAST FOR 1978. ACTUAL EXPENDITURES ARE NOT EXPECTED TO BE MADE IN ANY GREAT VOLUME, IF AT ALL, THIS YEAR.

2. THE BREAKDOWN OF THE DM 15-16 BILLION PROGRAM, WHICH IS HEAVILY WEIGHTED IN FAVOR OF THE CONSTRUCTION INDUSTRY, IS PRESENTLY FORESEEN BY THE MINISTER AS FOLLOWS:

(A) DM 3.5 BILLION WOULD BE SPENT ON THE ROAD AND STREET SYSTEM, OF WHICH DM 2.5 BILLION WOULD BE EARMARKED FOR TRAFFIC SAFETY MEASURES.

(B) ENVIRONMENTALLY-ORIENTED ENERGY TECHNOLOGY PROJECTS ARE SLATED TO RECEIVE DM 3 BILLION.

(C) WATER PURIFICATION OUTLAYS WILL BE IN THE AMOUNT OF DM 4 BILLION. OF THIS SUM, DM 1.5 BILLION IS DESTINED SPECIFICALLY FOR THE "SAFEGUARDING OF DRINKING UNCLASSIFIED

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WATER SUPPLIES."

(D) ANOTHER DM 4 BILLION ALLOCATION IS TO BE DIRECTED TOWARDS THE IMPROVEMENT OF THE ENVIRONMENTAL LIVING CONDITIONS. ESSENTIALLY THIS AMOUNTS TO URBAN RENEWAL-TYPE PROJECTS.

(E) SOME DM 350 MILLION IS DESTINED FOR VOCATIONAL TRAINING PROGRAMS.

3. WHILE THE CABINET IS EXPECTED TO MEET NEXT WEEK ON WEDNESDAY FOR THE PURPOSE OF APPROVING THIS PROGRAM, THERE STILL REMAIN SOME PROBLEMS TO BE STRAIGHTENED OUT WITH THE LAENDER (STATES) WHICH COULD DELAY THIS FURTHER. THEN THE PROGRAM WOULD HAVE TO GO TO THE VARIOUS LEGISLATURES (STATE AND FEDERAL). FINANCE MINISTER APEL HAS ALREADY FOUND IT NECESSARY TO WARN THE LAENDER AGAINST MAKING THEIR CONTRIBUTIONS TO THE PROGRAM DEPENDENT ON A NEW

AGREEMENT ON THE DIVISION OF REVENUES FROM VALUE-ADDED
TAXES.
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Message Attributes

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Sent Date: 17-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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